G. R. S. 56]
*Previous references*

File No. 9 of 01-02

191

Serial Nos 1 – 7

( Municipal )

*Later references.*

# GENERAL AND REVENUE SECRETARIAT.

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Serial Nos. 1 – 7

Major Part B for March 1904.

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SUBJECT

Difference between the audited Municipal accounts and the Ledger.

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1. From the Comptroller
No. 2369 dt. No. 1169 of 20.3.02.

Submits a proposal to adjust the difference between the balances claimed by the several Municipalities & that which is actually found to their credit in Treasury

2. To the Comptroller
No. 2644 dt. 4.7.02

Requests to forward a detailed statement &c. the balances in favour of each Municipality

1892 according to the Ledger maintained.

3. To the Comptroller
No 4102 of 18.9.02

Requested to explain why if prior to the order of 2nd May 1892 no attempt had been made at the Verification of the balances

4 From the Comptroller
by ltr No 4595. of No 4638 of 21.10.02

Submits explanations on the various points raised in Govt Proposals 4102 of 18.9.02.

5 To the Comptroller & Paymaster Genl Forwards the Heads of Accounts
6 From the Comptroller with certain observations & the draft Appropriation Account
by ltr No 1863. of No 1305 of 9.4.03 - mgly

Explains the circumstances under which the differences have arisen.

7 To the Comptroller
No 3477 of 12.3.04.

Passes orders that as after Submissions have been perused the Govt Consider it unnecessary to pass any orders on the present Communication.

Indexed.

H. Norman
Asst

MEMO.

Letter No.1469 dated 20th March 1902 from the Comptroller in Mysore.

In the above letter the Comptroller reports that there is a difference of Rs.47,781 in the balance in favour of Municipalities between his accounts and those of the Presidents of Municipal Boards, and says that this difference is due to the following causes -

(The Comptr showing generally a smaller balance in each case)

(1) The system in vogue in regard to these accounts prior to the formation of an independent (Local Fund) Branch in the Comptroller's office was defective, as it provided for no periodical reconciliation of the balances as claimed by the Municipalities and as worked out in the books of his office and that the verification contemplated in Article 275 of the Civil Account Code was never attempted.

(2) The adjustments effected and corrections made were not systematically communicated to the Municipalities from time to time.

(3) The errors gradually accumulated for over a century and the territorial changes effected in the years 1882-83 and 1885-86 added to the difficulty

of

of reconciling the difference in balances which amounted to Rs.47,781 on 1st July 1892 when the detailed audit of the Municipal accounts was undertaken in the Comptroller's office.

(4) The efforts made in the office of the Comptroller to verify the balances ~~from~~ from the initial accounts of the several Municipalities proved ineffectual inas much as the accounts of the three Districts (Mysore, Shimoga and Kadur) examined in the year 1896 were reported to be incomplete- those of several years prior to 1881-82 ~~were~~ not ~~at all~~ forthcoming in the records of those districts.

2. As under the foregoing circumstances it is hopeless to trace the errors and as it is undesirable to allow these differences to remain unadjusted any longer, the Comptroller suggests that the amount (Rs.47,781) may be rateably distributed among all the Municipalities, which existed in 1892 excepting those ~~these~~ of the Bangalore and Mysore Cities as also of Sringeri, ~~which~~ which are not likely to have contributed to create the difference. The distribution proposed in proportion to the financial capabilities of the several Municipalities is given below

| | |
|---|---|
| 1. Bangalore Distt Munls | 5515 |
| 2. Kolar | 6085 |
| 3. Tumkur | 5296 |
| 4. Shimoga | 7713 |
| 5. Kadur | 8730 |
| 6. Chitaldrug | 4117 |
| 7. Mysore | 6058 |
| 8. Hassan | 4267 |
| | 47,781 |

3. The Comptroller adds that if his proposal be approved, the share to be borne by each Municipality in a District will be worked out on the same basis, necessary adjustments effected and correct balances intimated to the Presidents for adoption in future accounts.

4. It is submitted that the procedure followed up to 1892 was that the annual reports from Presidents of Municipalities were submitted to Government direct and the annual accounts through the Comptroller, who after making the necessary corrections and adjustments of charges, such as cost of Head Offices, Dispensaries and schools, which the Presidents had no means of knowing, submitted them to Government with consolidated statements of receipts and expenditure for the whole province as admitted and revised in his office. The figures given in the statements furnished by the Comptroller were adopted by Government in their reviews on the annual reportson the working of the Municipalities in the State.

In reviewing the Presidents' reports and Comptroller's accounts for 1888-89, the Government in para 56 of their Proceedings No.906-37/15 dated 22nd April 1890 prescribed the forms in which annual accounts should be submitted by the Comptroller from and after 1889-90 and directed the submis-

sion

submission of a memo as an accompaniment containing his remarks on the general accuracy of the statements and showing the corrections he made in the Deputy Commissioners' returns.

5. In their Proceedings No.6227-39/L.429 dated the 24th August 1891, the Government also directed that the adjustments made by the Comptroller should be communicated monthly to the Presidents of the various Municipalities and the Comptroller's attention was drawn to this order from time to time (Vide Pro.No.14284-396/L.F.315-92 dated 24th February 1893 and No 20774 S. of 16/6/93 (Not Pro) L 364-92

Monthly wd fwd up-

Para 87 monthly wd fwd up

6 In May 1892, the Government realizing the absolute necessity which existed for the purpose of knowing the balance in favour of each Municipality and the Local Fund Board at the end of each month directed the Presidents and the Comptroller to submit to this office monthly statement of receipts and expenditure as well as balance in favour of each Municipality, the latter being further required to furnish this office as well as the Presidents of the several Municipalities statements showing " the balance on 1st April 1892 at the credit of the Municipal and District Funds in view to the information being embodied in the statements for April 1892". To secure correspondence between the treasury accounts and those of the District officers,

+ Pro No 1781-9 of 2-5-92 L 272 (S-c) abd

officers it was further laid down that no cheques be issued after the 25th of each month, that they may be made presentable within a certain number of days, so that no cheques might remain uncashed at the end of each month and that all adjustments made be communicated to the Deputy Commissioners as soon as these are being incorporated in the monthly statements. In accordance with these orders the Comptroller in his marginally noted communications intimated the balances in favour of the several Municipalities to the Presidents, who adopted them in their monthly accounts submitted to this office. On the receipt of monthly abstract statements from the Comptroller, every descrepancy either under receipt, expenditure or balance between the two sets of accounts received in the Secretariat was noticed and after obtaining satisfactory explanation from both the President concerned and the Comptroller as to the cause of disagreement, the accounts were formally read and recorded. This system was followed for 2 years, 1892-93 and 1893-94, but was discontinued on the representation of the Comptroller that Municipal accounts received in his office were audited

Letter No.107 dated 15/8/92, (Sl 36 — L 860 92)
Letter No.323 do 13/10/92. (Sl 80 — L 860 92)

in

in detail, examined if they agreed with Treasury accounts and submitted to Government monthly, that this security was alone sufficient, and that the submission by the Presidents of the duplicates of these accounts to Government be dispensed with altogether as was done in the case of other accounts. From the date of this order, classified accounts are being received only from the Comptroller. This office does not now get monthly accounts from the Presidents or their annual accounts, which were being received through the Comptroller previous to the organization of the audit Branch in his office.

Para 2 of Comptroller's letter No 1031-7 10-2-94 forwarded under Govt endt No 19739-47 dt 18-5-94 (Encl) £ 3299 92 Spare copy kept No 19

7- The Balances given by the Comptroller have been adopted as correct and Government reviews on the reports of Presidents and the accounts of the Comptroller are based on such balances from 1876-77 up to 1899-1900. The accounts from Comptroller from 1874-75. are available in this office. It is strange therefore that the Comptroller should now report that there was such a large difference as Rs.47781 between the "balance claimed by the several Municipalities" in the State on 1st July 1892 and "that which is actually found to their credit in the Ledger maintained" in his office.

8 Of the three causes which are alleged to have contributed to the large difference, the following two are due to the omissions made in the Comptroller's office, as admitted in the

Submitted.

(1) The differences on the present date is as stated the same as it was on 1/7/92 From the letter date the accounts are stated to be correct

(2) Yes sir

(3) Yes sir

(4) The letter is silent on this point. The Comptroller's office has late recently been unaware of the fact that it and had since on 1/7/92 and that it did not notice the difference at the time.

RJ 26-7-02

ne letter quoted above. Viz

1) That verification of figures contemplated by article 275 of the Civil account Code was never attempted.

2) That adjustments made in his office were not communicated to the Presidents as they were made.

As regards the 3rd cause viz the territorial changes effected in 1882-83 and 1885-86 it is not understood how these changes could have affected the Municipal balances, when it is taken into consideration that the account of each Municipality was maintained separately and distinct from oneanother and the transfer of one's Municipality from the territorial jurisdiction of one district to another would have followed by the corresponding transfer of accounts from one treasury to another and any mistakes in this direction could have been rectified by the Municipal branch then maintained in the Comptroller's office.

(4) Whatever may be the cause, this large difference has to be adjusted. If this difference does not reduce the balance on 1st April 1892 as given by the Comptroller and adopted by the Presidents and the Government in the monthly accounts received and received during the years 1892 - 1893 and 1893 -1894, there can be no objection or hardship to the proposed debit to the Municipalities which ~~the~~ existed

enlisted in 1892, the apportionment being made not with reference to the financial capabilities of the Municipalities as suggested by the Comptroller but with reference to the adjustable items, which should have been debited to them, in as much as the Head office charges is chargeable to all the Municipalities in the state, while the other adjustable items, viz dispensary and school charges, are debitable only to those which maintained respectively dispensaries and schools.

(a) If on the other hand the balance on 1st April 1892 given by the Comptroller as correct and adopted by the Presidents as well as Government be now considered by the Comptroller to be the balance claimed by the several Municipalities and not those worked out in the books of his office (as Government were led to believe and have to be reduced to the level of Ledger balance) information may be obtained on the following points before passing final orders on the proposal to debit this large sum to the Municipalities, some of which are undebited to Government and several others have minus balances hanging upon them.

(b) Even if the Comptroller failed to communicate to the Presidents concerned the adjustments made in his office, which may be alleged as one

of

of the causes of disagreement between the Presidents' balance , and the Comptrollers balance , why was there no reciprocal communication of adjustments effected in the General and Local Fund Branches of the same office so as to create this large difference between the balances of the respective branches.

(4) If prior to the issue of Government order of 2nd May 1892, the Comptroller's office made no attempt at verification of the two balances why ~~did~~ they not verified before furnishing the Presidents and Government correct balance on 1st April 1892 and why during the last 10 years subsequent to the organization of the Audit Branch in 1892 , the existence of this large difference was not noticed or reported to Government ~~brought~~ to .

(5) What amount of difference was contributed each year, before it rose to Rs 47,781 in 1892 and how such difference could be accounted for with reference to the Presidents annual accounts and copies of consolidated general accounts furnished to this office for purposes of Government review

6 Why the accounts now available in the several District offices and the offices of Vice Presidents should not be sent for and examined ~~in~~ a view to ascertain the cause of difficulty in balances

balances as far as possible .

"If on receipt of information on the foregoing points and further examination of accounts, the difference cannot be satisfactorily accounted for, it will be a point for consideration whether the adjustment should be made as at present by reduction of balance or by raising the Ledger balance by a grant of Rs 47,781 from provincial Funds so as to bring it to the level of the balance shown in the books of the L. F Branch of the Comptrollers office . The latter course would be contrary to the Comptrollers proposals but will be consistant with the course of action to which the Government and the Presidents were committed during the past 10 years .

Submitted for orders.

12 As per orders of the Dewan, the Comptroller was asked demi officially to send up a statement showing the balances in favour of each Municipality on 1st July 1892 as per Ledger maintained in his office; but he submitted one showing such balance for each District and stated that the balance for each Municipality was not available. Thereupon enquiry was made as to the figures for

D.O.14-7-02. 687

D.O.18-7-02. 11.

D.O.18-7-02.

for each District were arrived at without details for each Municipality and a detailed statement called for on a reference to the original District returns from which postings were made in the Ledger.

/3 - The Comptroller now replies that -

17th July 1902.
Sal 10

Ledger balance for each Municipality cannot be given as Treasury accounts receipt exhibit. aggregates of receipts and payments on account of all Municipalities in the District and not those of each Municipality and the same were posted in the Ledger after making the necessary adjustments. The Comptroller adds that if the Treasury figures are still required, they will be obtained from the Districts. In doing so he submits a statement of Municipal balances on 1st July 1892 as given in the Municipal accounts received from Districts with which the Presidents were instructed to open the account for 1892-93. Even here, he makes no attempt at an explanation of the inaccuracy of balances on 1st July 1892 to which he committed Govt so far back as 1892.

/4 From the statement furnished by the Comptroller in 1892, detailed lists showing balances on 1st July 1892 as given in 1892 and as now furnished as also the Ledger balances of the same date have been compiled in this office with an abstract there

-of

thereof and appended hereto the aggregate results being given below :-

| | | |
|---|---|---|
| 1. Grand total of Munl: balances as given in the monthly acct: for June 1892 submitted by the Comptr with his docket No.375 dated 27-10-92. (81.53 in E.F:80-92) | 258788 | including Sringere |
| | 257527 | excuding Do |
| 2. Grand total of Munl: balances as now given by the Comptroller in his D.O. dated 18-7-02 | 239384 | excluding Sringeri |
| 3. Grand total of Ledger balance as given by Do in his D.O. dated 14-7-02 | 211602 | |

Thus it is clear that the difference between the Ledger balance on 1st July 1892 and the Municipal balance as given in 1892 is Rs.45725 excluding Rs.1461 pertaining to Sringeri, whereas the same according to Municipal balances now given by the Comptroller is Rs.47782 excluding Sringeri or 2057 more ( the difference between the two accounts). The latter figure (47782) is given as the difference in the Comptroller's letter of 22/3/02 now under disposal. Send to

2. Adopting the figures now given by the Comptroller as the correct Muhl: and Ledger balances, the Distt. totals and the figures for the Cities of Bangalore and Mysore which were proposed to be exempted from the ~~proposed~~ present liability stand as shown below:-

The Comptroller gives no Ledger balances for the Bangalore and Mysore Cities and the figures under this head have been given from the Municipal balances now furnishedd

| | Ledger balance | Comptr. Auditr's figures | |
|---|---|---|---|
| Bangalore City | 19480 | 19480 | 0 |
| Do Distt | 23008 | 31267 | +8259 |
| Kolar Do | 40136 | 38033 | -2103 |
| Tumkur Do | 5077 | 8823 | +3746 |
| Mysore City | 23740 | 23740 | 0 |
| Mysore Do & French Rocks sub division | 8234 | 35432 | +27198 |
| Hassan Distt | 16516 | 29039 | +12523 |
| Shimoga Do | 22658 | 20989 | -1669 |
| Kadur Do | 38000 | 33460 | -4540 |
| Chitaldrug Do | 12753 | 17121 | +4368 |
| Total | 211602 | 259384 | +47782 |

16 The above figures show that in the Kolar, Shimoga and Kadur Districts the Ledger balances are more by Rs.8512 than the Municipal balances, while in the remaining Districts they are less by Rs.56094.

17 This being so, it is not understood how the former Districts could be debited with any portion of the net difference of Rs.47781. On the other hand as there is increase in their favour credits should be afforded to them to the extent of the increase (8512) while debits to the extent of Rs.56094 should be made in the case of the other Municipalities. The difference between the Ledger and the Municipal accounts in the Mysore Distt. is so much as Rs.27198 while the estimated closing balances of the Municipalities on the 30th June 1903 is Rs.14498.

Mysore

| Mysore Dt:- | Balance on 30-6-02 | French Rocks Sub-Dt | Balance on 30-6-1903. |
|---|---|---|---|
| Hunsur | 1407 | Serigapatam | 3327 |
| Chamrajnagar | 1550 | Melkote | 336 |
| Yedatore | 293 | Frenc-Rocks | 446 |
| Heggedadavankote | 333 | Mandya | 55 |
| Saragur | 625 | Maddur | 317 |
| Gundlepet | 1053 | Malavalli | 628 |
| Nanjangud | 1294 | Nagamangala | 452 |
| T.Naraipur | 422 | Krishnarajpete | 260 |
| Sosale | 364 | | |
| Saligram | 1356 | | 5801 |
| | 8697 | | |

Sub D -

19/7/1902

Draft an order please for submission - [illegible]

24/7

Submitted with a draft order to Comptroller -

[illegible]

The 3rd Councillor

31/7

31/7/02 (820)

[illegible]

5/8

Submitted to the Dewan
9/8

18. The draft order calling for certain information on certain points was issued in Pro. No.4102/L.F.35-02 dated 18th Septr. 02.

19. The Comptroller in reply explains at a great length the state of Munl accounts previous to the introduction of regular system of audit accounts in 1892 and states that no attempt appears to have been made to trace out and reconcile the initial difference of Rs.10477, which existed between the Munl and Ledger balances in 1872-73 and it went on increasing until it has risen to Rs. 47782 on 1/7/92 by the accumulation of errors for 20 years for various reasons some of which are given hereunder.

(a) The accounts prescribed by the Chief Commissioner were compiled merely on the basis of those received from the Districts without any kind of detail audit and a consolidation of the District accounts into a Provincial one was all that was done before the organization of a separate Local Fund Branch.

(b)

(b) It was not the practice then for any regular the Presidents to render accounts to the Comptroller nor did they attempt any verification of the balance with that worked out on the books of the Treasury or on those of the Comptroller which included the transfers and book adjustments. (c) A monthly list of plus and minus memo was received from Treasuries in his office, and to this was affixed a certificate of agreement by the Deputy Commissioners.

(d) There being no separate account kept for each Municipality in the Ledger maintained in the Comptroller's office, very little use could be made of the plus and minus memoranda received from Treasuries, which exhibited the transactions of individual Municipalties. But the annual verification of the District balances shown in the plus and minus memoranda which was possible, does not seem to have been attempted -an omission noticed by Mr.Biddulph not only in regard to this fund but also in regard to various other funds (Vide paras 217 to 219 appendix P and para 44 to 47 appendix E.)

(e) The Presidents accounts cannot be taken to be accurate in the absence of regular and timely audit. The accountants deputed by the Comptroller discovered a number of errors and serious mistakes in opening a month's account with a balance

balance considerably differing from the closing balance of the previous month.

(f) Transfers and book adjustments made in his office were not incorporated in the District annual accounts before their submission to Government

(g) The books of his office were not closed in a systematic and leisurely manner. Much reliance cannot therefore be placed on the figures furnished in the annual accounts, as the latter did not represent the entire transactions in respect of the Municipalities as booked in his office.

20. As regards the observation made in the Govt. Pro. of 18th September 1902, that the Comptroller's office is responsible for this difference and not the Presidents of Municipalities, he says that for one reason or other the Presidents balances, Treasury balance and Ledger balance never agreed with one another for several years, that its investigation is hopeless and that the question for consideration now is not one for responsibility but of the best means of rectification of the differences.

21. The Comptroller considers that the Ledger balances maintained in the books of his office are correct for the fol-lowing reasons.

(a) Whether or not the transfers

transfers and book adjustments were com
-municated to the Treasuries and Presi-
dents they all passed into the Ledger
through the Transfer book and the total
Municipal balance worked out on the Led-
ger is therefore the net result of the
entire transactions on account of Munl
funds.

(b) The balances of almost all the Public
debt heads including the local remittances
have now been verified and found correct
and the corresponding departmental ba-
lances were made to agree with the Led-
ger balance by the removal of the errors
that had crept into those departmental
accounts.

(c) Moreover the verification of the ba-
lances of other Public Debts disclosed
no transactions respecting Munl Funds mis
-classified and brought under such heads.

(d) The balance on the account office
book is the balance which the Government
has generally to acknowledgeas correct
(Vide article 275 Civil Account Code)

22. When Govt requested the Comptroller's
office to communicate to Presidents the
correct opening balance on 1/4/92 in Pro
No.1781-9/L272 dated 2/5/92 for adoptio n
in monthly accounts the matter being ur-
gent and the reconciliation of the 2 sets
of balances being hardly possible some
working balances were communicated pro-
visionally.

Note
[There is no explanation as to why no report was made during the first 10 years of the existence of the large difference]

23. As regards the quer y as to why the
accounts available in the Presidents of-

fices

offices cannot be sent for and examined with a view to ascertaining the cause of difference as observed in para 6 of the above order the Comptroller states that his efforts to reconcile the balances by the examination of local accounts failed for want of materials and he had to give up the idea of tracing the errors, which had actually given rise to the differences.

24. The Comptroller considers that the claim of certain Municipalities for the credit to be afforded to them noticed in para 7 of this office order cannot be upheld as the (a) the correctness on the whole for the Province must be accepted as correct, though its distribution among Districts may not be strictly accurate, for he came across instances of such wrong distribution but none in which there was any misclassification of heads, in which Munl Funds as a whole were concerned.

(b) The territorial changes effected in 1882-83 and 1885-86 have added considerably to the unreliability of the District balances, inasmuch as on those occasions no attempt was made to verify and distribute the balance of Districts which were affected by Municipalities being added to or taken away from them.

25. The Comptroller concludes that the ascertainment of the particular errors

errors giving rise to the difference and their location among the Municipalities concerned being quite hopeless, no other alternative than that of the proportionate distribution of the difference suggested itself to him and that the financial capability as the only one which would be fair under the circumstances, save that the errors are due to various causes, among which the omission of the adjustable item is the only one.

26. He also submits a statement showing the difference which existed at the end of each year since 1872-73.

27. Orders have now to be passed as to how the difference should be adjusted. As observed in para 11 supra the balance which each Municipality was directed to adopt as correct and which was adopted by Government in their reviews of reports during the last 10 years may be reduced as suggested by the Comptroller or (2) the Ledger balance may be raised by a grant of Rs.47781 from Provl. Funds, so as to bring it to the level of the balance shown in the books of the L.F.Branch the Comptroller's office.

28. If Govt. decide in favour of the former course and adopt the principle of distribution according to the financial capabilities enunciated by the Comptroller, it is respectfully submitted that distribution of the total difference of Rs.47781 among all the Municipalities which existed on 1/7/02 appears to be very hard, inasmuch as there were only 54

54 Municipalities in 1872-73 when the difference was only Rs.10,477 and 45 Municipalities came into existence in 1873-74 and subsequent years ending 1891-92 at the end of which the difference rose by Rs. 37 305. It is therefore submitted that the difference of Rs.10477 of 1872-73 cannot fairly be burdened upon Municipalities which came into existence subsequent to that year. Likewise the difference contributed in each of the next and succeeding years cannot be thrown upon such Municiaplities (which came into existence subsequent to that year and having no financial condition of their own.)

47782
10477
37305

29 The number of Municipalities and the difference contributed by each year , are given in the following statement, compiled from accounts furnished by the Comptroller of Accounts for the years 1873-74 & 1874-75 for which no accounts are available in this Office.

| No. | Year. | No. of Munis | Difference contributed by each Municipality. | No. | Year | No. of Munis. | Difference contributed by each Municipality. |
|---|---|---|---|---|---|---|---|
| 1. | 1872-73 | 54 | 10477 | 11. | 1882-83 | 81 | -4062 |
| 2. | 1873-74 | 73 | 5593 | 12 | 1883-84 | 86 | 1765 |
| 3. | 1874-75 | 73 | 2146 | 13 | 1884-85 | 89 | 4425 |
| 4. | 1875-76 | 73 | 9580 | 14 | 1885-86 | 91 | 8685 |
| 5. | 1876-77 | 74 | 4477 | 15 | 1886-87 | 90 | 5384 |
| 6. | 1877-78 | 73 | -11720 | 16 | 1887-88 | 92 | 6810 |
| 7 | 1878-79 | 74 | 3231 | 17 | 1888-89 | 94 | -2661 |
| 8. | 1879-80 | 74 | 4736 | 18 | 1889-90 | 96 | 12324 |
| 9. | 1880-81 | 81 | 7130 | 19 | 1890-91 | 97 | 28076 |
| 10 | 1881-82 | 81 | 9809 | 20 | 1891-92 | 98 | -271 |
| Total. | - | - | - | - | - | - | 47782. |

Submitted
9/12/1902

30. There is no principle at all in the variations. The only way, I fear, is to adopt the principle of division according to proportion suggested by the Comptroller, unless taking into consideration the generally poor financial condition of the municipalities, a grant is made from provincial funds to make both the accounts have the same figures. Submitted for orders.

13/2/903

The Dewan through the Comptroller

31 Well—a help there can be to any and to information correspondence? I agree with the Comptroller and the Secretary. A grant from State funds is outside the question. Let the money be distributed among the municipalities which exist. Direct to 1/7/92 & let the necessary accounts be made. 15/2/03

not to be taken upon me future in all the offices concerned nicht auf the Comptroller's

84 - 2.0 -

a217 To the Dewan

Dewan's order

16/2 Hm

32 Please draft order accordingly and submit.

(Sd) P. N K.
22 2.03

24/2

Draft submitted

Hm 22 & 23 03

To the Dewan

6/3/03

33 The order passed was Proceedings 13958 86 / L-935-02 dated 19 3 03 expressing the regret of Govt for the existence of a large difference between the two balances and directing the Comptroller to apportion the balance among the several municipalities in the state which existed previous to 1st July 1892 with the exception of the Bangalore and cantonment limits and the Shimoga town in proportion to receipts, the sums being calculated for each year and to submit a statement showing the aggregate amount debitable to each municipality for the issue of final orders and for communication to the Presidents of the Boards.

(2) that the large differences

under

concerned

34 The Comptroller in his letter etc 1308/1 dated 9th May 1903 states that the instructions issued in regard to the proportionate distribution of these differences will have his prompt and careful attention and the results of adjustment will be intimated in due course. May he be requested to expedite this as the statement shewing the aggregate amount debitable to each municipality for the issue of final orders?

35 In this letter the Comptroller takes exception to the expression of regret contained in the order of 19/3/03 for the following reasons:—

(i) that the existence of the longest differences not only noticed as soon after 1892 as possible, but that every attempt was made since 1893 to trace and analyse that difference.

(ii) that with the additional hands entertained out of sums sanctioned

sanctioned in Proc clo (21 22 dd 1- 10- 98 and clo 9089/801 of 17 4 99

(a) the differences in the balances under "Advances" were reconciled with the result that the ledger balances at the close of 1898 98 agreed with those of the objection books

(b) & (c) the differences under "Local Remittances" and Railway accounts were brought to the notice of Govt in 1898 & 1900 respectively and the orders of Govt obtained in July 1902

(d) that the differences under Deposits were adjusted and orders of Govt obtained in clo dated 1900 for introducing a better system of audit to prevent the recurrence of similar differences

(e) Report upon the differences in Municipal funds was submitted with the Comptroller's clo 6687/65 dated 4- 6- 01 with suggestions for a systematic system of audit & check, but Govt orders have not been received.

(f) that the large differences under

Govt passing orders on Report

under the above Public Debt-heads noticed from time to time remained unadjusted for a quarter of a century before 1892 but it was only since 1893 and during the past ten years that a systematic reconciliation was attempted with success. The labors of the account office in respect of the adjustment of these items were not acknowledged by Grant nor were expressions of regret given vent to. If

(14) that in the present instance such expression of regret was necessary, it should have related to the former quarter of a century previous to 1892 when the large differences under the municipal balance remained unadjusted, as since 1893 successful attempts at reconciliation and improvements were made to attain a standard of efficiency as near as possible to that of similar account offices elsewhere.

36. It is submitted that

Government in the L. J. Dept
were not aware of the adjustment by the Comptroller in regard to the adjustment of the differences on the several public debt heads, and that the [illegible] differences of municipal balances was precisely as the last one for adjustment. But on the other hand, they were under the impression that the balances on 1st July 1892 which were passed by the Comptroller under the special instructions of Govt, were correct and adopted them as [illegible] in [illegible] Govt Dept; [illegible] to reject all alterations for the first time the existence of the large differences in the balances which were brought to notice. No mention was made of their [illegible] and the existence of the large differences which he gave correct balances on 1/7/92

and for 10 years subsequently

Please see paras 6, 7, 10(b), & 22 supra

Submitted for orders.

Sd/- 6/6/03
20/6/03

29/6/03

37 I think this need not be replied to at present & we may await further report to dispose of the matter finally

16/7/3

The Dewan through the 2nd Counsellor

38. Seen — I see the order of 19/3/03 for the permanent lease today - I cannot think it is in accordance with my note of 15/2/03, for I see that the Dewan decided on 22/2/03 "Please draft order accordingly and submit - [illegible] I cannot think the remarks was desirable —

39 As the draft now put up, the Secretary has rightly declined to give his concurrence - But it might that no reply should be sent - This is more a financial than a matter & I shall have to see it in the hands of the Dewan -

16/7/03

40. I beg to add a word of explanation.

41. I thought that a reply need not be given as there is nothing gained by prolonging such controversy Compared however with the Comptroller's insinuations in Para 17 of his letter, the remark of Govt in the Regs of Clear 1903 was very mild I cannot see the reasonableness of any Officer resenting a mere statement of fact Coupled with an expression of regret in this manner.

42 I wonder if Government has to abdicate its position of Supervising authority merely because some Officers have developed in themselves an extraordinary degree of sensitiveness

Submitted for orders.

17/7/3

(The "rough draft" of the office is of course very rough indeed & cannot be issued in any case)

11517
17.7.03

To the Treasury

07/6/24

Reply

Make sure that report promised is received —
Not known

43 Whether Mayor's Office has been received so far
Nos unacceptable ~~Not received~~ Says so
Orders awaited —

(Illegible)
7 3 04

9/3/04

A : CL
Dy 9/3
Drafted
Dy 9
Dy 10/

Order issued accordingly in G.O
No 3477-D, 12 3 04
LD 3502

# Bangalore District

| Municipalities | Balance as per Comptroller's Municipal accounts on 1st April 1892 | | | Balance on 1st July 1892 as per Comptroller's Ledger | | | Balance on 1st July 1892 as per Comptroller's Ledger | | | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|
| | Rs | as | ps | Rs | as | ps | Rs | as | ps | |
| Bangalore City | 10,173 | 12 | 6 | 19480 | 6 | 5 | | | | Rs 19,480 |
| Yelahanka | 313 | 3 | 9 | 413 | | 11 | | | | 523 |
| Kengeri | 1331 | 5 | 6 | 1448 | 11 | 10 | | | | 1,451 |
| Hoskote | 772 | 10 | 11 | 782 | 9 | | | | | 783 |
| Doddaballapur | 2488 | 10 | 5 | 3302 | 6 | 6 | | | | 3,322 |
| Nelamangala | 2610 | 13 | 1 | 2754 | 2 | 1 | | | | 2,754 |
| Tyamagondla | 2796 | 15 | 9 | 2573 | 8 | 6 | | | | 2574 |
| Kankanhalli | 500 | 10 | 3 | 594 | 15 | 9 | | | | 621 |
| Magadi | 1916 | 13 | 11 | 2675 | 6 | 7 | | | | 2,689 |
| Closepet | 1347 | 10 | 7 | 2239 | 4 | 8 | | | | 2,260 |
| Channapatna | 1127 | 4 | 7 | 1459 | 7 | 3 | | | | 1,504 |
| Anekal | 3944 | 13 | . | 1590 | 7 | 6 | | | | 5,107 |
| Sarjapur | 1677 | 16 | | 1941 | 16 | | | | | 1,946 |
| Doramavandra | 705 | 8 | | 865 | 1 | 1 | | | | 868 |
| Devanhalli | 1479 | 12 | 7 | 1531 | 3 | 6 | | | | 1,554 |
| Vadigenahalli | 2556 | 6 | 6 | 2792 | 15 | 1 | | | | 2,828 |
| Subbele | | | | 459 | 1 | 8 | | | | 483 |
| Total | 35,944 | 3 | 2 | 50403 | 13 | 10 | 42488 | 7 | 6½ | 50-47 |

# Kolar District

| Municipalities | Balance as per Comptroller's Municipal Returns on 1st April 1892 | | | Balance as per Comptroller's Municipal Returns on 15th July 1892 | | | Balance on 1st July 1892 as per Comptroller's Ledger | | | Balance on 1st July 1892 as per Examiner's Comptroller | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Kolar | 1358 | 12 | | 2746 | 1 | 10 | | | | 28 | |
| Bowringpet | 3918 | 10 | 1 | 3355 | 9 | 10 | | | | 2,746 | |
| Malur | 1194 | 7 | 4 | 1486 | 8 | 6 | | | | 3,356 | |
| Chintamani | 5300 | 14 | | 5571 | 1 | 2 | | | | 1,509 | |
| Srinivasapur | 905 | 7 | 5 | 1063 | 4 | 3 | | | | 5,641 | |
| Mulbagal | 1335 | 14 | 5 | 1793 | 2 | 5 | | | | 993 | |
| Siddlaghatta | 968 | 13 | 4 | 8826 | 4 | 10 | | | | 1,793 | |
| Bagepalli | 394 | 1 | | 368 | 14 | 1 | | | | 8,826 | |
| Gudibanda | 807 | 10 | 11 | 819 | 13 | 11 | | | | 421 | |
| Gorebidnore | 1357 | 6 | 10 | 1568 | 1 | 7 | | | | 869 | |
| Chikballapur | 9962 | 8 | 10 | 10327 | 11 | 8 | | | | 1,551 | |
| | | | | | | | | | | 10,328 | |
| Total | 36253 | 10 | 2 | 37926 | 10 | 1 | 40,135 | 8 | ½ | 38,033 | |

# Tumkur District

| Municipalities | Balance as per Compld Municipal Accounts on 1st April 1892 | | | Balance on 1st July 1892 | | | Balance on 1st July 1892 as per Comptroller's Ledger | | | Balance on 1st July 1892 as per Comptroller's Compilation | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | Rs | |
| Tumkur | 1030 | 5 | 2 | 2988 | 3 | 1 | | | | 2,988 | |
| Bellavi | 115 | 12 | 10 | 214 | 13 | 10 | | | | 215 | |
| Korabagere | 144 | 8 | 10 | 73 | 3 | 10 | | | | 73 | |
| Maddagere | 264 | 1 | 6 | 159 | 12 | 3 | | | | 66 | |
| Chikkanayakanhalli | 931 | 3 | 6 | 688 | 14 | 9 | | | | 689 | |
| Huliyar | 146 | 14 | 4 | 81 | 4 | 4 | | | | 81 | |
| Sira | 3177 | 5 | 3 | 2265 | 5 | 2 | | | | 2,265 | |
| Gubbi | 789 | 1 | 11 | 1140 | 5 | 2 | | | | 1,140 | |
| Tiptur | 504 | 10 | 10 | 781 | 15 | 4 | | | | 782 | |
| Turuvekere | 91 | 9 | 2 | 121 | 2 | 8 | | | | 151 | |
| Pavagada | 93 | 4 | 2 | 227 | 0 | 8 | | | | 227 | |
| Kunigal | 520 | 11 | 11 | 716 | 0 | 7 | | | | 767 | |
| Huliyurdurga | 22 | 2 | | 55 | 4 | | | | | 76 | |
| Kadaba | 564 | 7 | | 690 | 11 | | | | | 691 | |
| Total | 5961 | 4 | 5 | 8396 | 2 | 8 | 5077 | 1 | 6 | 8823 | |

# Mysore District

| Municipalities | Balance as per Comptrollers Municipal accounts | | | | | | Balance on 1st July 1892 as per Comptroller's Ledger | | | Balance on 1st July 1892 as per Local Fund Auditor's Examination | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | On 1st April 1892 | | | On 1st July 1892 | | | | | | | |
| | | | | | | | | | | Rs | |
| Mysore City | 23382 | 15 | 2 | 24517 | 1 | 4 | | | | 25,740 | |
| Chamrajnagar | 1,819 | 1 | 7 | 2,129 | 13 | 11 | | | | 2,164 | |
| Hunsur | 1,154 | 11 | 8 | 1,069 | 13 | 2 | | | | 1,105 | |
| Yedatore | 1,867 | 1 | 9 | 1,896 | 9 | 11 | | | | 1,954 | |
| Saragur | 1,375 | 2 | 5 | 1525 | 14 | 5 | | | | 1,213 | |
| Gundalpet | 5,918 | 14 | 4 | 6255 | 11 | 8 | | | | 5,932 | |
| Nanjangud | 11,356 | 11 | 6 | 10502 | 15 | 6 | | | | 10,524 | |
| T Narasipur | 1303 | 13 | 5 | 1,186 | 14 | 9 | | | | 1,187 | |
| Heggaddevankote | 87 | 10 | - | 95 | 9 | 5 | | | | 393 | |
| Sosale | 1460 | 7 | 1 | 1629 | 15 | 7 | | | | 1,630 | |
| Saligram | 180 | " | - | 199 | 5 | 3 | | | | 188 | |
| Ramasamudram | 76 | 10 | 5 | 85 | 4 | 1 | | | | 46 | |
| French Rocks Sub Division | | | | | | | | | | | |
| Malvalli | 1537 | - | 5 | 1457 | 14 | 11 | | | | 1,458 | |
| Seringapatam | 4258 | 13 | 7 | 4352 | 8 | 1 | | | | 4,353 | |
| Melkote | 1193 | 10 | 4 | 1413 | 8 | 10 | | | | 1363 | |
| French Rocks | - 588 | 8 | 6 | -563 | 1 | 8 | | | | - 594 | |
| Mandya | - 836 | 14 | 7 | -730 | 3 | 2 | | | | -643 | |
| Maddur | 1546 | 10 | 8 | 1610 | 9 | 11 | | | | 1524 | |
| Nagamangala | 175 | 14 | 10 | 364 | 14 | 4 | | | | 365 | |
| Krishnarajapet | 1211 | 0 | 11 | 1307 | 15 | 11 | | | | 1308 | |
| Total | 58,480 | 15 | " | 60379 | 3 | 8 | 33974 | - | - | 61,172 | |

# Hassan District

| Municipalities | Balance as per Comptroller's Municipal accounts on 1st April 1892 | Balance as per Comptroller's Municipal accounts on 1st July 1892 | Balance on 1st July 1892 as per Comptroller's Ledger | Balance on 1st July 1892 as per Local Cash Book | Remarks |
|---|---|---|---|---|---|
| | | | | Rs | |
| Hassan | 6689 11 3 | 7994 1 | | 8,084 | |
| Alur | 4815 12 2 | 5094 12 8 | | 5,006 | |
| Sakleshpur | 4228 12 10 | 4470 0 11 | | 4,470 | |
| Belur | 3308 9 10 | 2985 8 2 | | 2,988 | |
| Banavar | 164 7 2 | 338 11 10 | | -134 | |
| Arsikere | 515 1 4 | 611 4 6 | | 684 | |
| Channarayapatna | 672 3 2 | 955 7 8 | | 1,088 | |
| Holenarasipur | 1122 9 5 | 1409 1 1 | | 1,409 | |
| Arkalgud | 3152 15 6 | 3716 5 11 | | 3,716 | |
| | 1695 10 2 | 1727 8 10 | | 1,728 | |
| Total | 26365 12 6 | 29304 13 8 | 45 15 - 9 | 29,039 | |

# Shimoga District

| Municipalities | Balance as per Comptroller's Municipal Accounts On 1st April 1892 | | | On 15th July 1892 | | | Balance on 15th July 1892 as per Comptroller's Ledger | | | Balance on 1st July 1892 as per Cash Book | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | Rs | |
| Shimoga | 4647 | 3 | 8 | 7096 | 5 | 2 | | | | 7,146 | |
| Chennagiri | 2000 | | 10 | 2224 | 4 | 10 | | | | 2,224 | |
| Honnalli | 1370 | 3 | 1 | 1165 | 0 | 6 | | | | 1,172 | |
| Nyamati | 5284 | 8 | 2 | 2666 | 14 | 11 | | | | 2,672 | |
| Shikarpur | 288 | 8 | 8 | 244 | 8 | 8 | | | | 247 | |
| Soraltkoppa | 1196 | 13 | 4 | 1027 | 7 | 8 | | | | 1,034 | |
| Sorab | 449 | 6 | . | 416 | 4 | 2 | | | | 435 | |
| Sagar | 2583 | 13 | 1 | 1998 | 11 | 9 | | | | 2,007 | |
| Nagar | 226 | 5 | 11 | 381 | 13 | 11 | | | | 388 | |
| Tirthahalli | 1546 | 6 | 5 | 1927 | 3 | 3 | | | | 2009 | |
| Kumsi | 600 | 3 | 9 | 706 | 8 | 11 | | | | 714 | |
| Benkipur | 210 | 4 | 1 | 346 | 7 | 7 | | | | 356 | |
| Holekonnur | 231 | 15 | 0 | 574 | 13 | 11 | | | | 585 | |
| Total | 20435 | 12 | | 20770 | 9 | 3 | 22657 | 11 | 5 | 20,989 | |

Kadur Distrct

| Municipalities | Balance as per Comptrollers Municipal Fd accounts On 1st April 1892 | | | On 1st July 1892 | | | Balance on 1st July 1892 as per Comptrollers Ledger | | | Balance on 1st July 1892 as per Collectors Demand | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Chikmagalur | 1337 | 7 | 8 | 1673 | 6 | 8 | | | | as 1673 | |
| Sankere | 170 | 8 | 6 | 187 | 5 | 7 | | | | 190 | |
| Koppa | 972 | 2 | 3 | 985 | 3 | 7 | | | | 987 | |
| Kadur | 304 | 13 | 4 | 249 | 11 | 11 | | | | 255 | |
| Yedehalli | 515 | | 8 | 39 | 1 | 6 | | | | 70 | |
| Ajjampur | 151 | 13 | 5 | 167 | 6 | 11 | | | | 169 | |
| *Sringeri | 146 | 1 | | 146 | 1 | | | | | | *Allowed to remain as it was duly sanctioned on Proc No 838 of 31/8/84-85 dated 25-1-92 For the first time Sringeri appears in the Comptrollers account for 1892-93 |
| Total | 3138 | 5 | 10 | 3448 | 5 | 2 | 3799 | 5 | 2 | 3346 | |

Chitaldroog District

| Municipalities | Balance as per Comptrollers Municipal Accounts | | | | | | Balance on 1st July 1892 as per Comptrs Ledger | | | Balance on 1st July 1892 as per Comptrs Ledger | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | On 1st April 1892 | | | On 1st July 1892 | | | | | | | |
| | Rs | a. | p. | Rs | a. | p. | Rs | a. | p. | | |
| Chitaldroog | 4269 | | 9 | 4834 | 1 | 9 | | | | Rs 4,834 | |
| Davangere | 3776 | 11 | 5 | 3308 | 10 | 1 | | | | 3,309 | |
| Harihar | 5075 | 4 | 1 | 4733 | 1 | 3 | | | | 4,733 | |
| Chellakere | 260 | 11 | 8 | 202 | 4 | 0 | | | | 202 | |
| Holalkere | 934 | 7 | 7 | 938 | 6 | 9 | | | | 938 | |
| Hosadurga | 1545 | 6 | 11 | 1352 | 10 | 9 | | | | 1,353 | |
| Honnyur | 242 | 4 | 9 | 268 | 15 | 4 | | | | 269 | |
| Jagalur | 965 | 15 | 11 | 895 | 6 | 6 | | | | 895 | |
| Molakalmuru | 260 | 10 | 6 | 588 | 6 | 6 | | | | 588 | |
| Total | 17,336 | 9 | 7 | 17,121 | 6 | 3 | 12,753 | 1 | 4½ | 17,121 | |

Statement showing Municipal Balance and

| No | Municipalities | Balance as per C Municipal A On 1st April 1892 | | | On |
|---|---|---|---|---|---|
| 1 | Bangalore city | 10,173 | 12 | 6 | 19, |
| 2 | Bangalore District | 25 570 | 6 | 8 | 30, |
| 3 | Kolar — do — | 36,253 | 10 | 2 | 37, |
| 4 | Tumkur — do — | 5,961 | 4 | 5 | 8, |
| 5 | Mysore city | 23,382 | 15 | 2 | 24, |
| 6 | do — District | 26,600 | 4 | 2 | 26, |
| 7 | French Rocks Sub Division | 8,497 | 11 | 8 | 9, |
| 8 | Hassan District | 26,365 | 12 | 10 | 29, |
| 9 | Shimoga — do — | 20,435 | 12 | . | 20, |
| 10 | Kadur — do — | 31,385 | 12 | 10 | 34, |
| 11 | Chitaldrug — do — | 17,330 | 9 | 7 | 17, |
| | Rs Grand Total — | 2,31,958 | . | . | 2,50, |

Balance as per Ledger on 1.7.1892

| Comptroller's Account 1st July 92 | | | Balance on 1st July 1892 as per Comptroller's Ledger | | | Increase | | | Decrease | | | Balance on 1st July, 1892 as rendered by the Comptroller's Clerks | Remarks. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 0 | 6 | 5 | | | | | | | | | | 19,480 | |
| 23 | 7 | 5 | 42488 | 7 | 6½ | - | - | - | 7915 | 6 | 3½ | 34,267 | |
| 26 | 10 | 1 | 40,135 | 8 | 10½ | 2208 | 14 | 9½ | - | - | - | 38,033 | |
| 26 | 2 | 8 | 5077 | 1 | 6 | - | - | - | 3319 | 1 | 2 | 8,823 | |
| 77 | 1 | 4 | | | | | | | | | | 25,740 | |
| 47 | 15 | 2 | 33974 | 6 | - | - | - | - | 24404 | 13 | 8 | 26,298 | |
| 4 | 3 | 2 | | | | | | | | | | 9,134 | |
| 14 | 13 | 8 | 16,576 | - | 9 | - | - | - | 12786 | 12 | 11 | 29,039 | |
| 10 | 9 | 3 | 22,657 | 11 | 5 | 1857 | 2 | 2 | - | - | - | 20,989 | |
| 85 | 4 | 2 | 37,999 | 12 | 2 | 3614 | 8 | - | - | - | - | 33,460 | |
| 11 | 6 | 3 | 12,753 | 1 | 4½ | - | - | - | 4368 | 4 | 10½ | 17,121 | |
| | 15 | 7 | 2,11,602 | 1 | 7½ | 7610 | 8 | 11½ | 60796 | 6 | 11 | 2,59,384 | |
| | | | | | | | Withdrawals | | 47188 | 10 | 10½ | | |

Statement shewing the Municipal Balances on 1st July 1892 as furnished by the Comptroller his Monthly Account Form No 1 for July 1892 and as per Statement enclosed in his D O dated 15th July 1892

| Municipal Districts | Balances on 1st July 1892 furnished by the Comptroller | | | | | | Remarks |
|---|---|---|---|---|---|---|---|
| | With his D O dated 15th July 1892 | | | In his Monthly Account Form No 1 for July 1892 | | | |
| | Rs | as | ps | Rs | as | ps | |
| Bangalore City | 19,480 | 6 | 5 | 19,480 | 6 | 5 | |
| Mysore City | | | | 24,517 | 1 | 4 | |
| Sringeri Municipality | 1,461 | | | 1,461 | | | |
| Bangalore District | 23,008 | 1 | 1½ | 30,923 | 7 | 5 | |
| Kolar District | 40,135 | 8 | 1½ | 37,926 | 10 | 1 | |
| Tumkur District | 5,077 | 1 | 6 | 8,396 | 2 | 8 | |
| Mysore District | 33,974 | 6 | | 26,647 | 15 | 2 | |
| French Rocks Sub-Div | | | | 9,214 | 3 | 2 | |
| Hassan District | 16,516 | | 9 | 29,304 | 3 | 8 | |
| Shimoga District | 22,657 | 11 | 5 | 20,770 | 9 | 3 | |
| Kadur District | 36,538 | 12 | 2 | 33,024 | 4 | 2 | |
| Chitaldroog District | 12,753 | 1 | 4½ | 17,121 | 6 | 3 | |
| Total | | | | 2,56,787 | 15 | 7 | |

1609

6

Local Fund Department.

OFFICE OF THE
12369.
M.R.2
BOMBAY

From

E.R. [illegible], Esq., B.A., B.C.E.

Comptroller of Mysore.

To

H.V. Nanjunda[illegible], Esq., M.A., M.L.

Secy. to the Govt of Mysore

General & Revenue D[illegible]

Dated 20th. ~~February~~ March 1902.

Despatched 22

Received

No. 1469

SEC Municipal
FILE 9 of 1901-02
SER 1

Submitting a proposal to adjust the difference between the balance claimed by the several municipalities and the sum which is actually found to their credit in the accounts of this office.

12
25-3-02

Let Reg
Papers Put up and let file.
file 17 of 02
3/3

Recd 25/3/02

POST CARD

Local Fund Department

OFFICE OF THE COMPTROLLER OF MYSORE

No 1469/L7

Bangalore, Dated 22th March 1922.

From

E R SUBRAYER, Esq, B.A., B.C.E.,

*Comptroller of Mysore*

To

M.V. Manjundayya, Esq., M.A., M.L.,

Secretary to Government of Mysore,

General and Revenue Departments,

Bangalore.

SIR,

I have the honor to submit my proposal to adjust the difference between the balance claimed by the several municipalit in the Province and that which is actually found to their credit the Ledger maintained in this office The difference has been in existence ever since the Municipal Accounts came under the audit this office in the year 1892-3. The system that obtained in regard these accounts prior to the formation of an independent Local Fund Branch in this office, appears to have been defective as it provide for no periodical reconciliation of the balances claimed by the a inistrators of the Funds with those worked out in the books of t office The verification contemplated in Article 275 of Civil Accou Code, the strict enforcement of which alone could have led to the detection and adjustment then and there of the differences, appears never to have been attempted with the result that the discrepancies which were allowed to go on accumulating from the very commencement have tended to create the wide divergence between the two sets of balances Another cause operating in the same direction is to be sought in the omission of systematic and timely intimation by

th

office, of the adjustments effected, in which the Municipalities were concer-
ther as debtors or creditors and of the necessary corrections in the mu nici-
ounts arising from such Book adjustments.

2 The difference on 1st July 1892—the date on which the de-
audit of the municipal accounts was undertaken by this office—between t'e
ce appearing to the credit of the municipalities according to their own ac-
and that which is shown to their favour upon the Ledger, is Rs 47781 by
the latter is less than the former. It is much to be regretted that this
nce cannot now be explained. The errors have gradually accumulated for c
ter of a century and it is impossible at this distance of time to trace
ut and account for the causes of the difference The Territorial changes
ed in the years 1882-3 and 1885-6 have added not a little to the difficulty
ciling the balances, as on those occasions no attempts seem to have been
to verify and distribute the balances of the Districts which were affecte
ipalities being added to or taken away from them

3 The initial accounts of the several municipalities would ra-
be expected to furnish every information for the verification of the b -
t I regret that my efforts even in this direction failed The accounts of
ricts( Mysore, Shimoga and Kadur ) examined in the year 1896, were all
to be incomplete—those for several years prior to 1881-2 were not at all
ng in the records of those Districts

The difference has been outstanding from a very long time an
desirable to allow it to remain unadjusted any longer As it is al ost
to trace the errors, no other means of rectification suggest itself to
able distribution of the differences a mo all the municipalities in
xistence on 1st July 1892. The City municipalities of Mysore and Bang
cluded from the distribution as it is not likely that they
ed to create the difference The Municipality of Sr ra
ed as it never kept its entire balance in the Government Treasury

such was not concerned in those transactions at all.

As regards the adjustment itself I think it will be an equitable arrangement if it be made in proportion to the financial capabilities of the several municipalities as measured by the average of their receipts and expenditure during the five years prior to 1892. The portion of the difference debitable to each district calculated with reference to this average will be as follows:—

| | |
|---|---|
| Bangalore..... | Rs. 5515 |
| Kolar..... | 6085 |
| Tumkur..... | 5296 |
| Shimoga..... | 7713 |
| Kadur..... | 8730 |
| Chitaldrug..... | 4117 |
| Mysore..... | 6058 |
| Hassan..... | 4067 |
| Total... | 47781. |

i.e. 41.249 or 6 s 32 Rs. Ks.

If Government be pleased to approve of my proposal, the share to be borne by each municipality in a district will be worked out on the same basis, the necessary adjustments effected and correct balances intimated to the Presidents concerned for future adoption.

I have the honor to be,

Sir,

Your most obedient servant,

Comptroller.

I.K.K.

(7)

Dear Sir Mc Isbrayer

I am directed by the
Treasurer to request that you will be
so good as to forward as
early as possible a detailed
statement showing the balance
in favour of each Municipality
on 1st July 1892 according to
the Ledger maintained in
your office. As the matter
is urgent the favor of a
very early reply is solicited.

I am
Yours truly
14/7/92
Officiating Secretary

C. J. Isbrayer Esquire
Comptroller to the Treasurer

D.O. Lent
14/7/92

SUBJECT: Municipal
FILE No. 98 1901-02
SF 2

(9)

Dear Sir Subsidy

With reference to your DO of today 2
Journal Draft mumil balances as per
Ledger maintained and pregretting Asa
unable to give the balances
individually as no separate acct was
kept in the Ledger for each Municipality,
I am directed to enquire how Draft balances have been arrived at without details for each Municipality & whether the Draft Treasury Accts do not exhibit details of each Municipality

Separately and if so to request that you will be so good as to furnish individual balances of each Insptg. on 1st July 1892 on a reference to the original Treasury accounts from which Distt totals were posted in the Ledger

The favor of an early reply is requested.

Steuart Pleasance
Mr Lunatchy
15/7/92

Rec'd 18th
T. G. B. Branch Esq 18/7/02

(10)

Bangalore
17th July 02

Dear Mr Ananthasami Row,

I am in receipt of your D.O of yesterday. The Treasury accounts do not exhibit details for each municipality but only the aggregates of receipts into and payments out of these Treasuries on account of all the Municipalities. These Cash transactions together with Book adjustments made in this office are posted into the Ledger thro' the Classified Abstracts and Detail Books maintained in this office Mr is why //

only District Balances are available in the Ledger I give in the accompanying statement the balances as given in the municipal accounts received from Districts with which they were instructed to open the accounts for 1923-24. These municipal accounts in many instances did not take into account the transfers and Book adjustments made in this Office. Hence the difference between the two figures.

The Balances according to municipal accounts will also differ

differ from those according to Treasury accounts by the amount of uncashed Checks & from the ledger balances ~~from~~ by the aggregate of the amounts and of the amounts of Book adjustments made in this office If the Treasury Balances be still required they will be obtained from the Districts.

Yours sincerely
E. Morrow
Comptroller
Secy of Treasury

Rec'd
Seen by Secy
Treasury

16

Bangalore
15th July 1912

Dear Sir Ramakrishna Rao

Your No. of yesterday.
I have sent Rs 1000 to Messrs
Arle & Co to the balance,
in addition to the Rs 2000
Remittable, as we stated,
account were kept in
the Indian for each sum

Dis trict balances are
available and these
are shewn in the Enclosed
Statement The balances
of the Mysore and Bangalore
Dis tricts as shown in
this Statement include
those of the two city
Municipalities, which
have been excluded
from the proposal
in my letter No 14 dated
20th March last to your
address.

Yours truly
G N Narayan
Asst Collr

L Anantasamy Esq
Asst Secy to Govt
Mysore

Statement of Distribut Balances of Municipal Funds as per Ledger on 1st July 1892.

| District | Amount. | | | |
|---|---|---|---|---|
| Bangalore | 42,488 | 7 | 6½ | 3 |
| Kolar | 40,135 | 8 | 10½ | |
| Tumkur | 5,077 | 1 | 6 | |
| Shimoga | 22,657 | 11 | 5 | |
| Kadur | 37,999 | 13 | 2 | |
| Chitaldroog | 12,753 | 1 | 4½ | |
| Mysore | 33,974 | 6 | 0 | |
| Hassan | 16516 | 0 | 9 | |
| Total | 2,11,602 | 1 | 7½ | 1953-8-10 |

E Montmorency

Comptr

15-7-92.

Jamaipanda
21 I 02

My dear Mr. Lamont

As to the reference to para
(2) of Mr Kinnaman's
5 of his
Report ch II, please
read the connected paper
with your Memo are usually
handled

Yours very
truly
Theodore Roosevelt

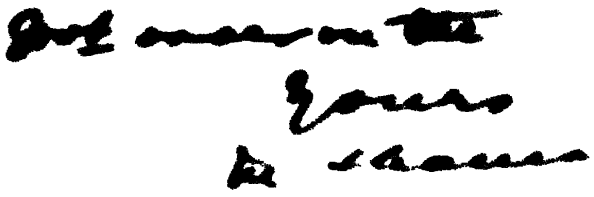
2/21/02

Shri [illegible]
[illegible]
[illegible]
[illegible]

Ref 25-E 62

Dear Sir Ramaiah

With reference to an old correspondence of Rs 41,249 to u/para 5, ch II of Gen. Kitchener's report, the woman wants to take the suggestion of her Kinsmen Kindly to me and the file with two spare copies of the Case



(11)

SECTION Mol

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS
FILE No. [illegible]
THE MAHARAJA OF MYSORE.

Read :-

Letter No.1469 dated 22nd.March 1902 from the Comptroller in Mysore in regard to the difference of Rs. 47781 in balances in favour of Municipalities on 15th July 1892.

2. Comptroller's Demi Official letters of 15 and 17th. July 1902.

RL 471

ORDER THEREON NO 4402
RJ 35-1902

DATED BANGALORE 18 SEPTEMBER 1902.

In the above, the Comptroller brings to notice that the defective system in vogue in regard to Municipal accounts prior to the formation of an independent Local Fund Branch in 1892 contributed to a difference of Rs. 47781 between the "balances claimed by the Municipalities" and those worked out in the books of his office, inasmuch as it provided for no periodical reconciliation of the balances and for communication of adjustment made in his office, nor was the verification contemplated in article 275 of the Civil Account Code ever attempted. He states that his efforts to verify the balances proved ineffectual and requests therefore that the difference may be adjusted by a debit to the then existing Municipalities in the State, except Bangalore and Mysore Cities and Srinceri, in proportion to their financial capabilities.

2. It is observed that prior to 1892, the municipal accou-

annual accounts used to be received through the Comptroller, who would include therein the adjustments made in his office, and these accounts were adopted by Government in their reviews of annual Administration Reports and accounts.

3. In May 1892, both the Presidents and the Comptroller were requested to submit monthly accounts to Government ~~in Proceedings dated 2nd May 1892 No.1781-9/L.272~~, the latter being called upon also to furnish the Presidents and Government with statements of balances in favour of each Municipality as on 1st April 1892 for being embodied in the said accounts. Accordingly the balances given by the Comptroller were adopted as correct both by Presidents and Government.

4. From the foregoing it ~~seems~~ is clear that the Comptroller's office is solely responsible for the difference in balances now brought to notice, and not the Presidents of Municipalities as the letter under reference makes it appear, as the figures were always subject to ~~his~~ the Comptroller's correction.

5. The Comptroller is therefore requested to explain why, if prior to the order of 2nd May 1892 no attempt had been made at the verification of the balances, they were not verified and the difference noticed before furnishing figures to the Presidents and Government as directed in the order above referred to; and why during the last 10 years subsequent to the organization of the audit branch in 1892, the existence of this large difference was not noticed and reported to Government ~~and why steps were not taken for~~ but action was not taken for effecting its final adjustment.

6. Information should also be furnished as to what amount of difference was contributed each year before it rose to Rs. 47781 in 1892, and as to why such of the accounts as are available in the offices of Presidents and Vice Presidents cannot be sent for and examined with a view to ascertain the cause of the difference.

7.

The Comptroller

7. As regards the proposal to apportion the difference (Rs.47781) among all the Municipalities (except Bangalore, Mysore and Sringeri) which existed in 1892, it is observed that, as per the marginal figures, as per accounts now furnished by the Comptroller, however, in the Municipalities of the Shimoga, Kolar, and Kadur Districts, the ledger balances were in excess of the Municipal balance by Rs.8312, while in the remaining Municipalities, the balances are less by Rs.56094 It is difficult therefore to see apparent why any portion of the difference should, as proposed by the comptroller, be debited to the Municipalities in the former 8 districts, which are reasonably entitled to a credit of Rs.8312, while the remaining Municipalities should share in the debit of the entire gross difference of Rs.56094, which should be apportioned among the Municipalities in the respective districts, not with reference to their financial capabilities as proposed, but with reference to the adjustable items debitable to each Municipality, such as Head Office, charitable grants and Education, which the President had no means of knowing.

| Districts | Ledger balances. | Municipal balances. |
|---|---|---|
| 1.Bangalore | 42488 | 50747 |
| 2.Kolar | 40136 | 38033 |
| 3.Tumkur | 5077 | 8823 |
| 4.Mysore | 33974 | 61172 |
| 5.Hassan | 16516 | 29039 |
| 6.Shimoga | 22658 | 20989 |
| 7.Kadur | 38000 | 33460 |
| 8.Chitaldrug | 12753 | 17121 |
| Total | 211602 | 259384 |

| | |
|---|---|
| Bangalore | 8259 |
| Tumkur | 3746 |
| Mysore | 29198 |
| Hassan | 12523 |
| Chitaldrug | 4368 |
| | 56094 |

A very early reply is solicited.

2/17/9

For Secretary.

To

The Comptroller in Mysore.

# Statement of Municipal Balances from 1867-68 to 1891-92

| Years | Municipal Account Balance | Ledger Balance | Balance in Bank | Total | Difference | Difference Increase | Decrease | Remarks |
|---|---|---|---|---|---|---|---|---|
| 1867-68 | 47230 | 46665 | . | 46665 | 565 | | | |
| 1868-69 | 76922 | 73873 | . | 73873 | 3049 | | | |
| 1869-70 | 61536 | 58487 | . | 58487 | 3049 | | | |
| 1870-71 | 56677 | 56677 | . | 56677 | 0 | | | |
| 1871-72 | 72148 | 72148 | . | 72148 | 0 | | | |
| 1872-73 | 143925 | 99760 | 33688 | 133448 | 10477 | 10,477 | 54 | |
| 1873-74 | 157980 | 119407 | 22503 | 141910 | 16070 | 5,593 | 73 | |
| 1874-75 | 152832 | 120513 | 14103 | 134616 | 18216 | 2,146 | 73 | |
| 1875-76 | 153861 | 112724 | 13341 | 126065 | 27796 | 9,580 | 73 | |
| 1876-77 | 111847 | 74859 | 4715 | 79574 | 32273 | 4,477 | 74 | Yedehalli |
| 1877-78 | 94374 | 65205 | 8616 | 73821 | 20553 | -11,720 | 73 | - Kudekere |
| 1878-79 | 107022 | 68822 | 14416 | 83238 | 23784 | 3,231 | 73 | Donnara |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 1880-81 | 186488 | 135691 | 15147 | 150838 | 35650 | 7,130 | 81 | Lagan, Gralkär j.a. Kungsgr, Skatejagr, Hund &c + Indikat |
| 1881-82 | 213423 | 167964 | " | 167964 | 45459 | 9,809 | 81 | |
| 1882-83 | 219587 | 178190 | " | 178190 | 41397 | -4,382 | 81 | + Tharsäfgr - Jakkad |
| 1883-84 | 249899 | 206737 | " | 206737 | 43162 | 1,765 | 86 | Kronor, Fruch Rorkt, Inrakter, Chalkakare Kolabkare |
| 1884-85 | 261994 | 214407 | " | 214407 | 47587 | 4,425 | 89 | Jagalar, Inrollkalmare gabraktare |
| 1885-86 | 276109 | 219837 | " | 219837 | 56272 | 8,685 | 91 | Pourgada, Inrolgare |
| 1886-87 | 278137 | 218481 | " | 218481 | 59656 | 3,384 | 90 | + Benkägar - Harikarfgar - Inrolgare |
| 1887-88 | 286908 | 220442 | " | 220442 | 66466 | 6,810 | 92 | Hyamgar, skrigar + [illegible] |
| 1888-89 | 286267 | 222462 | " | 222462 | 63805 | -2,661 | 94 | Inrolgare & Ballare |
| 1889-90 | 279552 | 203423 | " | 203423 | 76129 | 12,324 | 96 | Kadaka & Soaka |
| 1890-91 | 254654 | 206601 | " | 206601 | 48053 | -28,076 | 97 | Lakakonnor |
| 1891-92 | 259384 | 211602 | " | 211602 | 47782 | - 271 | 99 | Jakibak & Jakigrom |
| Totäl | | | | | 47782 | | | |

Glundmyr

Comm. Insp. för

135

L688

(12)

SECTION Mbl

FILE No 9 & 1901-02

SERIAL 4

From E.R. Subroyer, Esq, B.A, B.E.E,
~~The~~ Comptroller, Mysore Govt

To H.V. Nanjunayya, Esq, M A, M L,
~~The~~ Secretary to the Govt of Mysore
General and Revenue Depts,

Dated 25~~th~~ October 1902

Despatched 28

Received

L F No 463
No

SUBJECT MATTER

Submitting explanations on the various points raised in Government Proceedings No 4102-L F 85-1902 dated 18th September 1902 concerning the origin & cause of certain differences under Municipal Balances as also in regard to proposals made for adjusting the same

L 2352
29-0

OFFICE OF THE COMPTROLLER, MYSORE GOVT.

L F No

*Bangalore,* 189

*From*

E R SUBRAYER, Esq,

*Comptroller, Mysore Govt*

*To*

*The Secretary to the Govt of Mysore,*

_____ _____ *Dept*

Sir

Office of the Comptroller,Mysore Govt.

L.F. No. 463 Bangalore,21st October 1902.

(12)

From

K.R. Subroyer,Esq.,B.A.,B.C.E.,
Comtroller,Mysore Govt.

To

M.V. Manjundayya,Esq.,M.A.,M.L.,
Secretary to the Government of
Mysore,Genl.& REV.Departments.

Sir,

I have the honor to acknowledge the receipt of Government Proceedings No. 4182-L.F.35-1902 dated 18th September 1902,and to submit my explations on the various points raised therein concerning the origin and cause of the difference under correspondence as also in regard to the proposal made by me for adjusting the same.

2. It is observed in para 2 of the order that "prior to 1892 the Municipal Annual Accounts used to be received through the Comptroller,who would include therein the adjustments made in his office,and these accounts were adopted by Government in their reviews of Annual Administration Reports and Accounts " The only account submitted from this office up to 1872—73 was a statement showing the Receipts,Disbursements and Balances of the Municipal Funds of each District as a whole. When the Chief Commissioner ordered in Proceedings No.1643/12 dated 2nd July 1873, the submission of accounts for each Municipality the District authorities seem to have been requested to communicate the balances of the several Municipalities as no such individual balances were available in this office The detailed accounts ordered by Government were thus started with the balances furnished by the Municipalities themselves,the aggregate of these balances at the close of 1872—73 differed from the total balance

Office of the Comptroller, Mysore Govt.

L.F. No. Bangalore, 21st October 1902.

From

E.H. [illegible], Esq., B.A., F.C.S.,

Comptroller, Mysore Govt.

To

H.V. Nanjundayya, Esq., M.A., M.L.,

Secretary to the Government of

Mysore, Genl. & Rev. Departments.

Sir,

I have the honor to acknowledge the receipt of Government Proceedings No. 4108-L.F.35-1902 dated 18th September 1902, and to submit my explanations on the various points raised therein concerning the origin and cause of the difference under correspondence as also in regard to the proposal made by me for adjusting the same.

2. It is observed in para 2 of the order that "prior to 1888 the Municipal Annual Accounts used to be received through the Comptroller, who would include therein the adjustments made in his office, and these accounts were adopted by Government in their reviews of Annual Administration Reports and Accounts." The only account submitted from this office up to 1872—73 was a statement showing the Receipts, Disbursements and Balances of the Municipal Funds of each District as a whole. When the Chief Commissioner ordered in Proceedings No.1645/12 dated 2nd July 1873 the submission of accounts for each Municipality the District authorities seem to have been requested to communicate the balances of the several Municipalities as no such individual balances were available in this office. The detailed accounts ordered by Government were thus started with the balances furnished by the Municipalities themselves, the aggregate of these balances at the close of 1872—73 differed from the total balance on

on the Ledger by Rs. 10477. The difference having come to notice, earliest opportunity ought to have been taken to trace it out and reconcile the 2 balances. Unfortunately no attempt seems to have been then made and the initial difference of Rs.10477 went on increasing until it had risen to Rs.47782 on 1st July 1892 by the accumulation of errors for twenty years. The accounts prescribed by the Chief Commissioner's order quoted above were compiled merely on the basis of those received from the Districts without any kind of detail audit and a consolidation of the District accounts into a Provincial one was all that seems to have been done before the orgonisation of a separate Local Fund Branch in this office.

It was not the practice then for the Presidents to render any regular accounts to the Comptroller, nor did they attempt any verification of their balance with that worked out on the books of either the Treasury with which they banked or of those of this office which included the transfers and book adjustments A monthly Plus and Minus memo were received from the Treasuries and and to this was affixed a c e r t i f i c a t

certificate to statement by the Deputy Commissioners: Cheques
presented paid from my agency the statement could hardly
negotiable multiple since it bears instructions on account to credit
-ation and clerical inconsistencies between the Central Balance
Sheet and Treasury accounts which could not possibly
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concerned either as depots or creditors appear to have been
effected in this office as occasion required them but all of them
do not seem to have been incorporated in the District Annual Ac-
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subsequent corrections not having been intimated to Government.

As remarked by Mr. Biddulph in his report(paras 51 to 57) the books of this office were not closed in a systematic and leisurely manner as they are done elsewhere and the annual accounts and figures based thereon. Much reliance cannot therefore be placed on the figures furnished in the annual accounts as the latter did not represent the entire transactions in respect of the Municipalities as booked in this office. Thus for one reason or for another the President's balance,Treasury balance and Ledger balance never agreed with one another. The disagreement having been in existence from a very long time i.e 1868 and its investigation being almost hopeless,the question now for consideration is not,I venture to submit,one of responsibility but how best the longstanding differences can now be rectified.

4. Whether the transfers and book adjustments were communicated to the Treasuries and Presidents or not they all passed into the Ledger through the Transfer Book and the total Municipal balance worked out on the Ledger is therefore the net result of the entire transactions on account of Municipal Funds There can be very little doubt regarding the correctness of this total Ledger balance. The balance of almost all the Public Debt heads including the Local Remittances have now been verified. In the course of such verification it was found that the balances shown on the Ledger in regard to all these heads were correct and the corresponding departmental balances were made to agree with the Ledger balances by the removal of the errors that had crept into these Departmental Accounts Further,the verification of the balances of other Public Debt heads disclosed no transactions respecting Municipal Funds misclassified and brought under such heads thus indirectly by the analysis of the other Public Debt head balances the accuracy of the Municipal Fund balance on the Ledger is established. Apart from all this,the balance on the Account Office

unexpended corrections from Natural Road Industries to Government.

As mentioned by Mr. Biddulph in his report(Para 17 of 19/7/58), the books of this office were not closed in a strictly accurate manner as they always remain open for any late adjustments. Each Assistant Treasurer is responsible for balancing his own ledger and the Assistant Treasurer balances the Principal Ledger. This office only checks the Principal Ledger balances and not the individual ledgers. Each month the Principal Ledger balances are sent to the Municipal Fund Balance Section who prepare a reconciliation statement between the Municipal Fund balance as per the ledger and the balance as per the Principal Ledger. Any differences are investigated and pending such investigation are shown as "Suspense" items in the Municipal Fund balance sheet. Apart from all differences on the Account Office books, there are also differences on the Municipal Fund Balance Sheet between the Principal Ledger balance and the Treasurer's balance. The latter balance is checked at this office by the Auditor and Controller's Department. Any difference between the Principal Ledger balance and the Treasurer's balance is investigated and cleared by the Treasurer. Differences between the Principal Ledger balance and the Treasurer's balance are usually due to items in transit, i.e. cheques issued by the Treasurer but not yet presented for payment at the Bank, or cheques paid into the Bank by the Treasurer but not yet credited by the Bank. Any difference between the Principal Ledger balance and the Treasurer's balance which cannot be explained in the above manner is usually due to an error in posting in one of the books. Such errors are usually discovered when the Treasurer's balance is compared with the Principal Ledger balance. Apart from all differences on the Account Office books, there are also differences on the Municipal Fund Balance Sheet between the Principal Ledger balance and the Treasurer's balance. The latter balance is checked at this office by the Auditor and Controller's Department. Any difference between the Principal Ledger balance and the Treasurer's balance is investigated and cleared by the Treasurer. Differences between the Principal Ledger balance and the Treasurer's balance which cannot be explained in the above manner is usually due to an error in posting in one of the books. Such errors are usually discovered when the Treasurer's balance is compared with the Principal Ledger balance. Apart from all differences on the Account Office books, there are also differences on the Municipal Fund Balance Sheet between the Principal Ledger balance and the Treasurer's balance. The latter balance is checked at this office by the Auditor and Controller's Department. Any difference between the Principal Ledger balance and the Treasurer's balance is investigated and cleared by the Treasurer. Differences between the Principal Ledger balance and the Treasurer's balance which cannot be explained in the above manner is usually due to an error in posting in one of the books. Such errors are usually discovered when the Treasurer's balance is compared with the Principal Ledger balance.

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Office Books is the balance which the Government has generally to acknowledge as correct vide Article 275 Civil Account Code.-

3. When Government required this office to communicate to the Presidents the opening balances in favour of each Municipality on 1st April 1892, for the purpose of enabling them to compile the monthly accounts the submission of which was ordered in Government Proceedings No. 1781-9 dated 2nd May 1892 L 272 it had no alternative but to furnish the balances indicated on the Municipal accounts alone; for as already stated no separate account for each Municipality was maintained on the books of this office and no individual balances were available for communication to the Presidents concerned. The aggregate balance for each District which was all the Ledger could give, was of very little use for comparison with the total District balance as per Municipal accounts, in the absence of information respecting the amount of uncashed cheques which was included in the Ledger balance which besides varied considerably from the Municipal Account balance on account of the accumulated unexplained difference which is now under consideration. The correct opening balance on 1st April 1892 was ordered to be supplied on 2nd May of the same year and it was therefore, the matter of immediate necessity to communicate some working balances and the reconciliation of the 2 sets of balances, which alone could have given the correct balance for each Municipality, could hardly have been undertaken and completed, in time to permit correct opening balance on 1st April 1902 being furnished to the Presidents to enable them to compile and submit the monthly accounts. Therefore these latter accounts were startd with the provisional balances containing the errors which had been accumulating from years.

6. As soon as I took charge of the office, I perceived the necessity for the verification of not only the Municipal Fund balances but also of a number of other Public De-

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fund balances but also of a number of of Public Bo-
offices Books is the balance which the Government has generally
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tion to the Presidents concerned. The aggregate balance for each
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compile and submit the monthly accounts. Therefore these latter
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the errors which had been accumulating from years.

6. As soon as I took charge of the office,I

Debt heads. I took up these for examination one by one and wherever all the materials required for the verification were available the result was satisfactory and the reconciliation of the Ledger balance with the Departmental balance has been complete. The balances of almost all of the Public Debt heads have thus been now verified. I may mention as an example the case of Muzrai balances the verification of which was lately completed. The special establishment sanctioned by Government for this purpose was able to trace out the causes of the differences and arrive at a reconciliation, as all the local Muzrai records were easily and completly accessible, having been preserved carefully. But it is far otherwise with regard to Municipal accounts. I deputed my Chief Assistant and an Auditor to 3 Districts( Mysore, Kadur and Shemoga ) for the examination of the local accounts but they found that the records were very incomplete—the accounts for many years not being forthcoming at all. The difference having been in existence from the very commencement, no attempt at any verification can prove successful in the absence of accounts of all the months for all the Municipalities from the time the difference itself dates and up to 1892 when detailed audit of these accounts was taken up by this office. So my efforts to reconcile the 2 balances by the examination of the local accounts failed for want of materials and I had thus to give up the idea of tracing out the errors which have actually given rise to the difference. In my previous communication I have already reported this fact and I still beg to repeat that no better result can be expected now by sending for and examining only such of the accounts as are available in the offices of the Presidents and Vice-Presidents.

7. As regards the balance on the Ledger, its correctness on the whole for the Province must be accepted, though its distribution among the Districts may not be strictl accurate So far as the Ledger is concerned the head of Municipal Funds is one

Dept passed. I took up from there for examination one by one and separately all the vouchers which were attached for the verification made by the Reconciliation of the Register with the Treasurer's Department balance and found them correct. The balance with the Department balance had been completed. The balance as per Register was Shs 1,613,- which was the balance on the Register as at 7th January 1971 as per Treasurer's Department balance. The Register was then compared with the Treasurer's Department balance and found to be correct. The Register was then compared with the Treasurer's Department balance and found to be correct. The Register was then compared with the Treasurer's Department balance and found to be correct

one with a Provincial balance only and any wrong distribution among the Districts would not affect the correctness of the total balance and in the course of the investigation of these matters I have come across instances of such wrong distribution but none in which there was any misclassification of heads in which Municipal Funds as a whole were concerned. The Territorial changes effected in the years 1882-3 and 1885-6 have added considerably to the unreliability of the District balances, as on those occasions no attempts seem to have been made to verify and distribute the balances of the Districts which were affected by Municipalities being addedto or taken away from them It is not also possible now to ascertain for want of the original accounts whether the Presidents themselves transferred correct balances from one District to another during the change Under these circumstances the case for the claim of some Districts for a credit, referred to in para 7 of the Proceedings under reply, cannot be regarded as having been made out.

8. The ascertainment of the particular errors giving rise to the difference and their location among the Municipalities concerned being quite hopeless, no other alternative than that of the proportionate distribution of the difference, suggested itself to me and I confess I cannot even now think of any other possible method of adjustment As regards the principle of distribution which has been taken exception to, I may state that I am compelled to propose that of financial capability as the only one which would be fair under the circumstances seeing that the errors are due to various causes among which the omission of the adjustable items such as Head office Education etc. in the Presidents' accounts, is only one.

9. I beg to enclose herein a statement showing the fluctuations, the difference has undergone from the

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9. I beg to enclose herein a statement showing the fluctuations the difference has undergone from the y

year 1891-92 & Eng 8. before it rose to Rs.47781 in 1892.

I have the honor to be,

Sir,

Your most obedient servant,

Comptroller Mysore Government.

Very [illegible] before it came to an end.SEAL OF STATE.

I have the honor to be

Sir

Your most obedient servant,

Comptroller, Navajo Government.

Your Draft.

(13)

Read:-

Letter No.1469 dated 20th March 1902 from the Comptroller in Mysore stating that there was a difference of Rs.47781 between the balances on 1st July 1892 appearing to the credit of the Municipalities according to their own accounts and those shown to their favor upon the Ledger maintained in his office and suggesting the adjustment thereof by distribution among all the Municipalities which existed on 1st July 1892, except the Cities of Bangalore, Mysore and Sringeri, which are not likely to have contributed to the difference.

2. Correspondence ending with letter No.463 dated 21st October 1902 from the same officer, submitting a statement showing the fluctuations the difference has undergone from the year 1867-68 before it rose to Rs. 47781 in 1892 and stating that the principle of distributing the difference according to the financial capabilities of the Municipalities appears to be the only one which would be fair under the circumstances, seeing that the errors are due to various causes among which the omission of adjustable items is only one.

ORDER

ORDER THEREON for 13958-66 & 2135-1902

DATED 19/3/03

R.L. 1625

Section R&L

File No 96 1901-02 5

Government regret to observe that there was such a large difference as Rs.47781 between the Municipal and Ledger balances on 1st July 1892 and that the existence of this large difference was not noticed for nearly ~~ten~~ years since the organization of the sepa-rate L.F.Branch in the Comptroller's Office. As every attempt made to trace and rectify the mistake is reported to have proved ineffectual, the only method for adjusting the difference is either raising the Ledger balance by a grant from State funds or diminishing the Municipal balances for making the two balances correspond with each other. As there is no reason at all for sanctioning a grant of such a large sum from state funds, the Government accept the Comptroller's proposal to adjust the difference by a debit to the several Municipalities which existed on 1st July 1892 with the exception of Bangalore, Mysore and Srinivasaccording to their financial capabilities. The maintenance of accurate accounts should be insisted upon in future in all the offices concerned and the Comptroller should issue suitable instructions to prevent the recurrence of such mistakes and see that they are rigidly carried out This sum (Rs 47781) will accordingly be apportioned

by

by the Comptroller among the Municipalities concerned in proportion to their receipts, the sum being calculated separately for each year A statement showing the aggregate amount debitable to each Municipalit should be submitted to Government for the issue of formal orders and for communication to the Presidents of the Boards concerned

12/3/3

Secretary

eng 12/3/

To 4/3/03

The Comptroller

" Presidents of Municipalities

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El No 11863
L 2009

From

The Comptroller of the Treasury

Memo conto
orig 6/10

Sec'y to the Govt of Hawaii
Genl & Rev Defts

Dated 9 4 03
2 5 03

To the Treasurer Hon 3647 1/8/04

SECTION - Mol
FILE N - 9 of 1901-02
SER 1
6

No 1305
L 7

Encls 2 nd

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Acknowledging the receipt of Gov order No 13978-66 L 735-02 dated 19th Ult. Inv and C/03 from same for adjustment of Certain differences in the Inv respecting Bal — ances, and explaining the circumstances under which they have occurred —

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H C Clarke Cashr

Hon
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No 1163

4 MAY 1903

BANK OF MYSORE

17

Office of the Comptroller,

Mysore Government,

Bangalore, Dated 29th April 1903

2nd May 1903

From

E R Subrayer, Esq , B A B C E

Comptroller of Mysore

To

H V Nanjundayya, Esq , I A S

Secretary to the Govt of H H the Maharajah of Mysore

General and Revenue Departments

Sir,

I have the honor to acknowledge the receipt of Government Order No 13988-66/L°35-92 dated 19th March 1903 passing orders for adjustment of certain differences in the municipal balances between those appearing in the books of this office and those shown in the accounts of the Municipalities

2 The instructions issued in regard to the refundable distribution of these differences will have my prompt and careful attention and the results of the adjustment will be intimated in due course

3 In the meantime I feel bound to point out with due respect
6-A that the facts set forth in para 3 of my letter No 1469 dated
12-B 20th March 1902 and in para 6 of my letter No 1463/L dated 21st October 1902 quoted in the preamble of the above order appear to have unfortunately altogether escaped the notice of Government and that what in the light of those facts should have been gratifying to them has found only expressions of their regret

In para 1 of the above order Government regret to observe that "the existence of this large difference has not been noticed for nearly 10 years since the organization of the separate Audit and Branch in the Comptroller's office and that the steps immediately below this that were taken to rectify the mistake is reported to have proved ineffectual

As this "every attempt" must have been made only after

the existence of the difference was noticed I now beg to recapitulate once more when these differences were noticed by this office along with those under various other items and what attempts were made to analyse and adjust them before 1992 and after that year

5. In para 6 of my letter No 463/TF dated 21st October 1902 I have reported as follows - "As soon as I took charge of the ~~Accounts~~ office I perceived the necessity for the verification of not only the Municipal Fund Balances but also of a number of other public Debt Heads I took up these for examination one by one, and wherever all the materials required for the verification were available the result was satisfactory and the reconcilation of the Ledger Balance with the departmental Balance has been complete The balances of almost all the public debt Heads have thus been now verified." In regard to these Municipal balances themselves I have reported in para 3 of the 1st of the two letters quoted by Government "the initial accounts of the several municipalities would naturally be expected to furnish every information for the verification of the balance but I regret that my efforts even in this direction failed "he accounts of three Districts (Mysore, Shemoga and Kadur) examined in the year 1896 were all reported to be incomplete- Those for several years prior to 1881-82 were not at all forthcoming in the records of those Districts" And again in para 6 of my 2nd letter No 463/TF dated 21st October 1902 I have repeated "But it is far otherwise with regard to Municipal accounts- I deputed my Chief Assistant and an Auditor to 3 Districts (Mysore, Kadur and Shemoga) for the examination of the Local accounts but they found that the records were very incomplete- the accounts for many years not being forthcoming at all- The difference having been in existence from the very commencement, no attempt at verification can prove successful in absence of accounts of all the months for all the Municipalities from the time the difference itself dates and up to 1903 when detailed audit of these accounts was taken up by this office In my previous correspondence I have already reported this fact, and I still beg to

repeat that no better result can be expected now by sending for and examining only such of the accounts as are available in the offices of the Presidents and Vice Presidents "

Again in para 4 of the same letter I have reported "there can be very little doubt regarding the correctness of this total ledger balance. The balance of almost all the Public Debt Heads including the local remittances have now been verified - In the course of such verification it was found that the balances shown on the ledger in regard to all these heads were correct and the corresponding Departmental Balances were made to agree with the Ledger Balances by the removal of the errors that had crept into these Departmental accounts Further the verification of the Balances of other Public Debt Heads disclosed no transactions respecting Municipal Funds misclassified and brought under such heads Thus indirectly by the analysis of the other Debt Head Balances the accuracy of the Municipal Fund Balance on the Ledger is established".

6. So far about the facts in regard to the difference in the Municipal Balance, which were <u>immediately</u> before Government, when they passed orders regretting that the existence of this large difference was not noticed for nearly ten years, and which I have now recapitulated in the very words of my two letters on which the above orders were passed I therefore venture to hope that the Government will now be pleased to admit that the existence of this large difference was not only noticed as soon after 1932 as possible but every attempt was made since 1933 to trace and analyse that difference not only with the materials available in my office, but also by deputing responsible assistants from my office to examine the initial accounts in the Districts

I hope also that the Government will now be pleased to see how and why in the absence of sufficient materials I had to undertake the highly laborious and dilatory process of establishing the correctness of the Ledger Balances of those funds described at the end of para 5 above and why I had to take up this item as the last of all

I now proceed to invite attention of the Government to the following facts in regard to the differences in other public Debt items which have been brought to the notice from time to time since 1893- Large differences existed under the following items some from 1868 others from 1872.

(1) Local Remittances.

(2) Railway Suspense

(3) Deposits

(4) Munroy Funds.

(5) Advances

These and the differences in the Municipal balances were noticed by Mr. (now Sir James) Westland during his test audit of the accounts of this office in 1873, but no steps of any kind were at any time before 1893 taken to trace and adjust any one of them In 1893 Government sanctioned on my application an annual grant of Rs 300/- for arrear Establishment and also authorized me to utilize the savings in my office Establishment to the extent of Rs.30 per mensem vide this office letters Nos. 6241-461/5-4-97, and Government orders Camp 21-22/FL 9-10-1895 and 3089FL301/17-4-97.

With this additional help the work of verification and analysis of the balances under Debt Head was taken up systematically item after item in the order in which materials for the same could be readily collected and worked upon.

Under the item "Advances recoverable" there were difference from 1873-75 as shown in the Statement attached to para 281 of my printed explanatory notes on Mr Biddulph's report Appendix D objection books submitted to Dewan with my letter No.B dated 24th ovember 1896 These differences varied from 0.5 to 29 9 per cent of the Ledger figures In the years 1893-94 and 94-95 every attempt was made to analyse and carefully trace the differences and to effect correct adjustments with the result that the ledger balances at the close of 1894-95 agreed completely with those of the objection Books This agreement is since being maintained year after year and kept up to date.

11 Under "Local remittances" differences amounting to over Rs.50,000/- were then taken up and found to be due to the Books having been started with a wrong Balance not to any erroneous adjustments. This fact was reported to Government in September 1898 and orders of Governments were obtained in July 1900.

12 The difference under "Railway Suspense" was also traced out and a memorandum got ready for submission to Government when Mr.Biddulph's test audit of this office accounts was commenced This memorandum was placed before that officer who went through it with the accounts and has verbatim embodied it with his report vide para 279 memo on the Railway Suspense account Appendix E VII Suspense Account. Application was made to Government for authority to effect needful adjustment in September 1900 and orders were received only recently in July 1902

13 The differences under "deposits" were adjusted, and Government orders obtained in August 1900 for introducing a better system of audit in view to prevent any differences arising in future. Since then the Ledger Balances agree with those of the broad sheets year after year.

14. In regard to "Buzroy Funds" attention is invited to Government orders No. 1134 dated 13th April 1899 deputing two Accountants one from my office and one from the Buzroy Superintendent's office for the purpose of over-hauling the initial accounts maintained in the Districts and tracing out the differences between the Book and Account Balances. Fortunately the accounts for all the previous years were completely available in all the Districts and the work of verification was promptly and satisfactorily completed and reported upon to Government in this office No 0697/33 dated 4th June 1901 with suggestions for a systematic future audit and check.Government orders have not yet been passed.

15 It will thus be seen that large differences under almost all the important Public Debt Heads though noticed from time to time remained unadjusted for a quarter of a century before

before 1892 and that it was only since 1893 and during the past ten years that a systematic verification was attempted with success- In passing orders on the adjustment of all the other items Government were not pleased either to acknowledge the labors of my office or to give vent to any expressions of regret

16 If however in the present instance such expression was deemed necessary I venture to submit that the regret of Government should have been that this large difference under the Municipal Balance remained unadjusted during a quarter of a century <u>before</u> 1892 even though it was noticed from time to time vide paras 2 and 3 of my 2nd letter No 463/LF dated 21st October 1902, not that its existence was not noticed for nearly 10 years since 1892 as the Government has been pleased to observe.

17 Such general observations and criticisms on the conduct of work in this office passed frequently as they have been during past two years without due appreciation of all the facts and circumstances brought to notice and of the technical merits of each case have, I regret to report not only considerably weakened my hands as the Presiding officer but have also greatly discouraged the whole office which, whatever might have been its failings and shortcomings between 1868 and 1893, has, <u>since that period</u>, shown, in the opinion of authorities competent to judge, some record of honest and successful attempts at rectification and improvements and which, to the best of its ability and opportunities, and with what support and confidence it was able to obtain from Government, has been earnestly endeavouring to attain a standard of efficiency as near as possible to that of similar account offices elsewhere.

I have the honor to be,

Sir,

Your most obedient servant,

Comptroller

Mysore Govt Gen & Rev Secretariat,
Local Boards Branch

File No (if any, and its date—

Office Draft. 15.

Progs. of the Govt of H 'H the Maharaja of Mysore.

Read :—

Letter no 1305 / 57 dated the 9th April 1903 from the Comptroller acknowledging the receipt of the Government order no 13,958-66 / C 7. 35-02 dated the 19th March 1903 in regard to the adjustment of certain differences in the municipal balances between those appearing in the books of the Office and those shown in the accounts of the municipalities and explaining the circumstances under which the discrepancies arose.

SECTION Mel
No. 9 F. 1901-02
B

Order thereon no 3477 / 135-02 2/3/04

As the Subramanya

has since retired the Government considers it unnecessary to frame any orders on the present Communication

Secretary's Order

10/3/04

Offg. Secy.

9/3/04

10/3/04

Secretary

19-3-04

To the Court